



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 140-20 – Regulations Governing the Practice of Social Work
Department of Health Professions
February 17, 2011

Summary of the Proposed Amendments to Regulation

The Board of Social Work (Board) proposes to amend its Regulations Governing the Practice of Social Work to 1) add a definition for active practice, 2) require applicants for licensure to either pass the licensure examination within five years preceding application or provide proof of working in a setting that is exempt from licensure requirements for at least 360 hours per year for two of the five years preceding application, 3) require individuals who are seeking to reinstate an active license or reactivate an inactive license to provide proof of active practice (either in another jurisdiction or in an exempt setting) during three of the five years immediately preceding application or provide proof of 360 hours of supervised practice in the 12 months preceding application and 4) remove some requirements for licensure by endorsement.

Result of Analysis

There is insufficient information to accurately gauge whether benefits are likely to outweigh costs for several of these proposed changes. Benefits likely outweigh costs for at least one of these proposed changes.

Estimated Economic Impact

Under current regulations, individuals must pass a national competency exam in order to be licensed as a social worker or clinical social worker but there is no limitation on how long after passing the exam individuals have to apply for licensure. The Board proposes to require that individuals who are seeking licensure to either prove that they passed the licensure examination within the five years preceding application or provide proof of working in a setting that is

exempt from licensure requirements for at least 360 hours per year for two of the five years preceding application.

The likely very small group of individuals who pass the licensure exam more than five years before they apply for licensure, and cannot prove that they have worked the proposed requisite number of hours in an exempt setting, will incur costs for retaking the licensure exam as well as fulfilling any new requirements (additional classes, etc) to take the exam if requirements have changed. The public will likely benefit from this change if there is a current malpractice problem that is likely caused by individuals starting to practice years after they initially passed their exam or if information or best practices in these fields are changing so rapidly that a competency exam taken more than five years ago would not be substantively the same as an exam taken in the nearer term. There is insufficient information to know how many potential applicants for licensure might be affected or to quantify any benefit that might accrue to the public.

Currently, individuals who are seeking to reinstate or reactivate a Board issued license must pay a fee and provide proof that they have completed required continuing education. The Board proposes to also require that these individuals provide proof of active practice (either in another jurisdiction or in an exempt setting) during three of the five years immediately preceding application or provide proof of 360 hours of supervised practice in the 12 months preceding application. Licensees who have allowed their licenses to lapse or who have held an inactive license for a number of years, but who have not worked in another state or in an exempt setting, will have to work in a supervised setting (at a likely lower pay level) for at least 360 hours before they can reapply for active licensure. Interestingly, since individuals who are renewing an active license will not have to prove that they have actively practiced during the renewal cycle, licensees who plan to leave the work force for a number of years can avoid having to prove that they have been actively practicing by continuing to maintain an active license. . The public will likely only benefit from this change if there is a current malpractice problem that is likely caused by individuals starting to practice after some years of inactivity.

Under current regulations, individuals who are seeking licensure by endorsement must prove that they have been licensed in good standing in another state and that that state has licensing standards that are substantially equivalent to the Boards standards for licensure. Board

staff reports that this means applicants for licensure by endorsement now have to provide proof of education and supervised practice that they may not have maintained after they were initially licensed in their originating state. The Board proposes to remove language that requires substantially equivalent standards and instead require that licensure in an applicant's originating state be of a comparable type to that in Virginia. This proposed change will benefit individuals who are applying for licensure by endorsement because they will no longer have to maintain or recompile all of their original licensure documentation.

Businesses and Entities Affected

The Department of Health Professions (DHP) reports that the Board currently regulates 4,967 licensed clinical social workers and 349 licensed social workers. All of these entities, as well as any individuals who may wish to become licensed in the future, will be affected by these proposed regulations.

Localities Particularly Affected

No locality will be particularly affected by this proposed regulatory action.

Projected Impact on Employment

The new time limitations for licensure in this regulatory action may slightly decrease the number of individuals who choose to work in professional fields that are regulated by the Board. Loosening the requirements for licensure by endorsement may slightly increase the number of individuals who choose to work in professional fields that are regulated by the Board. There is insufficient information to ascertain which effect will be larger.

Effects on the Use and Value of Private Property

To the extent that a professional license can be considered valuable private property that entitles an individual to work at a job that unlicensed individuals may not, placing new limitations on obtaining licensure and on license reinstatement/reactivation will slightly lower the value of licensees' private property.

Small Businesses: Costs and Other Effects

DHP does not know how many affected entities would qualify as small businesses but does know that many licensed clinical social workers are small business independent practitioners. The new time limitations for licensure in this regulatory action will likely make it

harder for individuals who have not practiced in their chosen field for several years to restart their businesses when they choose to return to work. Conversely, changes to requirements for licensure by endorsement will likely make it easier for licensed clinical social workers from other states to set up small businesses in the Commonwealth.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The Board could eliminate adverse effects for individuals who have passed the national exam but who have not chosen to seek licensure within a five year period, as well as for individuals who are seeking reinstatement or reactivation of licensure, by choosing not to promulgate new time limitations for licensure. Absent some history of disciplinary actions that could likely have been avoided if these restrictions had been in place, or some evidence that the material covered by the national exam changes frequently enough that the knowledge of individuals who passed that exam five years ago is stale, the public and licensees would likely benefit from the Board taking a second look at these proposed restrictions.

Real Estate Development Costs

This regulatory action will likely have no effect on real estate development costs in the Commonwealth.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a

statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.